IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

WEDNESDAY, THE TWENTY FOURTH DAY OF NOVEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE SRI DEVINDER GUPTA, THE CHIEF JUSTICE

and
THE HON'BLE SRI JUSTICE M.NARAYANA REDDY

WRIT APPEAL No: 1838 of 2004

(Writ Appeal under Clause 15 of the Letters Patent against the Order dated 18/11/2004 in WVMP No.3277 of 2004 in WPMP No. 23488 of 2004 in WP No. 17907 OF 2004 on the file of the High Court.)

Between:

Hindustan Flurocarbons Ltd, Employees Union, 1309, HFL, Rudraram, Medak District, rep. by its President Shri K. Sanjeeva Reddy.

..... APPELLANT

AND

1. The Industrial Development Bank of India, IDBI Towers, Cuffee Parade, Mumbai, Rep. by its General Manager.
2. The Hindustan Flurocarbons Ltd, 1402, Babukhan Estate, Basheerbagh, Hyderabad - 500 001, rep. by its Managing Director.
3. The Hindustan Organic Chemicals Ltd, Harichandari house, 81, Maharishi Karve Road, Mumbai - 400 002, rep. by its Managing Director.

.....RESPONDENTS

Counsel for the Appellant: Mr.D.Prakash Reddy, Advocate,

for Sri C.Kodandaram, Advocate.

Counsel for Respondent No.1: Mr. S.NIRANJAN REDDY

Counsel for Respondents 2 & 3: None appeared.

The Court made the following :

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ORAL JUDGMENT:

(per The Honourable Sri Devinder Gupta, the Chief Justice)

Appeal is against the order passed by the learned Single Judge, vacating the interim order, dated: 5.10.2004, passed in W.P.M.P.No. 23488 of 2004, in Writ Petition No. 17907 of 2004. By the order impugned in this Appeal, dated: 18.11.2004, the learned Single Judge dismissed W.P.M.P. No.23488 of 2004, and allowed W.V.M.P. No. 3277 of 2004, filed by Respondent No.1. There are proceedings pending before the Appellate Authority for Industrial and Financial Reconstruction (A.A.I.F.R.), regarding rehabilitation scheme, with respect to the second respondent-industrial company, and there is some protection granted by the Delhi High Court. While the said proceedings are in progress, petitioner-appellant has questioned the contemplated action on the part of the first respondent pursuant to notice issued on 2.8.2004, under Section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

After some arguments, learned counsel for the appellant submitted that liberty be reserved to the appellant to approach the authorities constituted under the Sick Industrial Companies (Special Provisions) Act, 1985 with whom proceedings regarding rehabilitation scheme in respect of Respondent No.2-Company are pending, for which, learned counsel for Respondent No.1 has no objection, who will also be at liberty to take-up all defences to oppose the prayer of the petitioner-appellant, in case, proceedings are taken before BIFR or AAIFR. With leave and liberty, as above, granted, the Writ Appeal is dismissed.

Though the learned counsel for Respondent No.1 vehemently opposed some breathing time to be given to the petitioner-appellant for approaching the concerned authorities under the Sick Industrial Companies (Special Provisions) Act, 1985, but, we are inclined to grant interim measure of protection to the petitioner-appellant for a period of one week, and, hence, for a period of one week from today, status quo, as of today, shall be maintained with respect to the notice issued under the provisions

of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

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DEVINDER GUPTA, C.J.

24.11.2004.

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M.NARAYANA REDDY, J.

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NOTE:

Issue cc by tomorrow.

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To

1. The General Manager, Industrial Development Bank of India, IDBI Towers, Cuffee Parade, Mumbai.

2. Two CD copies.